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EXAMINER

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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/470,180
Filing Date: December 22, 1999
Appellant(s): MERVES ET AL.

Steven L. Wood
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 18 June 2009 appealing from the
Office action mailed 9 April 2008.

(1) Real Party in Interest

The real party in interest is The Chase Manhattan Bank, the assignee of the above referenced application.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) and the Intellectual Property and High Technology Technical Amendments Act of 2002 do not apply when the reference is a U.S. patent resulting directly or indirectly from an international application filed before November 29, 2000. Therefore, the prior art date of the reference is determined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

Claims 1-45 are rejected under 35 U.S.C. 102(e) as being anticipated by Levine et al.

Levine shows an electronic site 200 (maintaining an electronic site on the computer network to which users may connect, also includes electronic screen for display of results). The system facilitates and archives the process of loan origination to securitization (mortgage-backed securities). Risk/Return module

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332 (column 25, line 55, section I) receives search criteria over the computer network from subscribers (not the investors, see column 5, lines 62-63). Risk/Return module 332 also shows searching the historical data from loan origination (underlying security) to securitization. While having archived searchable data, the data can be updated in real-time (column 26, line 33). (The examiner is considering any time frame from origination to real-time to be shown). From bottom of column 25 to the top half of column 26, note all the different reports generated from the historical financial performance data (retrieving step). The background does a good job of describing well-known details such low or high risk loans, adjustable rates, “jumbo” loans, etc. The negotiations for the loan pooling is considered to become the Pooling and Servicing agreement (includes information for trustee report and indenture documents per applicant’s page 4 of the specification. Levine stores this information and therefore also meets claims 39 and 40). After reading the reference and the examiner’s interpretation, it should be apparent that claims 1-45 are anticipated.

(10) Response to Argument

(10 A) Levine Fails to Anticipate Claims 1-45

(10A.1) Independent Claim 1 is Patentable Over Levine

Appellants argue that Levine fails to disclose the following limitation,
“receiving...search criteria identifying at least one structured securities transaction...associated with at least one underlying security.”

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Examiner's Response: Levine teaches in Column 5, lines 55-67 and Column 6, lines 1-3 that the present invention provides a centralized "marketplace" for trading in certain types of financial products by subscribers (e.g., marketing companies, lenders, mortgage bankers, investors, brokerage companies, etc.)

Levine teaches in Fig.1 the typical life cycle of a loan starting with Marketing 104, Loan Origination 108, Wholesaling 112, Servicing 120, Claims 124, Securitization 116 and Loan Termination 128.

Appellants further argue that "identifying a pool of mortgages is not sufficient to identify a structured security transaction." Appellant further argues that ***"the present specification provides several examples of what does suffice to identify a mortgage backed securities transaction as claimed. To identify a mortgage backed security, it suffices to identify it by name."***

Examiner's Response: Levine in Column 8, TABLE 1 teaches that a subscriber (Capital Markets Broker/Brokerage Company) are Entities that act on an agent basis to bring together Investors and Buyers and Securities Credit Rating Agencies are entities that typically on behalf of brokerage companies, rate (i.e., determine overcapitalization) the mortgage-backed securities created by Investors.

Appellants further argue that “Levine, the applied reference, makes no provision for ‘search criteria identifying at least one structured securities transaction’ as claimed.”

Examiner’s Response: Levine in Column 7, lines 30-46 teaches that while the embodiment of the invention described herein relates specifically to loans, it would be apparent to one skilled in the relevant art(s) that the present invention could also be used for analyzing, valuating, buying and selling a variety of financial products including for example: (1) revolving lines of credit, such as credit card accounts and home equity lines of credit, (2) annuities, (3) insurance products, and (4) consumer and commercial assets, such as certificates of deposit.

Levine in Column 7, lines 47-54 teaches that in an embodiment of the present invention, an organization provides a centralized exchange system for loans. Subscribers to the system (i.e., borrowers, brokers, correspondents, mortgage bankers, servicing companies, investors, capital markets brokers, etc.) may engage in trading that optimizes the types of loans being originated by lowering the risk associated with loan origination and maximizes return on each loan.

Levine in Fig.1 and Column 8, TABLE 1 teaches that **Mortgage Bankers** are entities that purchase loans and pool them together for resale (Fig.1, phase 112.) **Investors** are entities that purchase loan pool from wholesalers and group the pools together to create mortgage-backed securities (i.e., securitization), which are then typically sold in the secondary market (Fig.1, phase 116). **Securities Credit Rating Agencies** are entities that typically on behalf of brokerage

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companies, rate (i.e., determine overcapitalization) the **Investor** created **mortgage-backed securities**.

Levine in Fig.2A and Column 13, lines 5-10 and TABLE 3 teaches the various components of the exchange system 200 and a summary of the databases one of which is the Securitization database (Fig.2A, 205) which contains mortgage-backed securities (e.g., bond) data and criteria. Levine in Fig.2B (280e) teaches a Securitization Interface (workstation) where an investor can access the workstation (Fig.2B 280e, Column 16, lines 1-8) to group together the loan pools to back a security (i.e., create mortgage backed security). Levine in Column 16, lines 9-13 further teaches a workstation (Fig.2B, 280d) which allows brokerage companies to access the system to **search for mortgage-backed securities for sale** and to negotiate to **buy and sell the mortgage-backed securities**.

Appellants further argue that “Levine yet fails to disclose ‘retrieving historical financial performance data associated with the at least one underlying security.’ That is, Levine fails to disclose retrieving performance data for an underlying security after receiving search criteria that identify structured securities transaction.”

Examiner’s Response: Levine in at least Column 15, lines 18-20 teaches that once a mortgage banker has accumulated several loans they can use the workstation (Fig.2B, 280f) to post or publish a pool of these acquired loans for sale.

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Levine in at least Fig.3 and Column 15, lines 21-25 teaches a secure interface 320 which allows securitization companies to access system 200 to (1) search for loan pools that have been posted on system 200 for sale by mortgage bankers and (2) to sell **mortgage-backed securities** that they have created and backed with their loan pools.

Levine in at least Column 15, lines 26-35 further teaches that securitization companies access system 200 via workstation 280d to **look for loan pools for sale and to review information** for each loan in a pool and individually accept, deny, or suspend its decision for each loan within the pool resulting in a revised loan pool for which the securitization company may make an offer. The mortgage broker can then access the revised loan pool, and either accept the securitization company's offer, create another pool to offer for sale, or reject the offer.

Levine in at least Column 15, lines 53-67 further teaches that the securitization companies can **search** the available loan pool on system 200 using various search criteria (i.e., **loans made to borrowers having a FICO score greater than 650, an interest rate of 12% or greater and etc.**)

Appellants further argue that the rejection of claim1 should be withdrawn and claim 1 and all claims dependent thereon be allowed.

Examiner's Response: For the reasons stated above the Examiner must respectfully disagree and maintains the rejection of Claim 1 and its dependent claims.

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(10A.2) The Rejection of Dependent Claims 2-45 is Improper

Appellants argue that “As these dependent claims encompass the limitations of independent claim 1, these claims should be allowed for at least the reasons stated above.”

Examiner’s Response: Respectfully Claims 2-45 are dependent upon Claim 1 which has been rejected, therefore per the Examiner's Responses above the dependent claims are also rejected.

(10A.2.a) Dependent Claim 2 is Separately Patentable

Appellants argue “The reference fails to disclose ‘wherein the criteria is capable of identifying a subset of financial performance data which includes at least one of: (i) financial performance data for securities of more than one structured securities transaction; and (ii) financial performance data for securities underlying structured securities transaction of more than one issuer.’”

Examiner’s Response: Levine in at least Column 15, lines 53-67 teaches that securitization companies can search the available loan pools on system 200 using various search criteria, either based on the pre-set rules, or based on some other criteria (i.e., **loans made to borrowers having a FICO score greater than 650, an interest rate of 12% or greater and etc.**) to locate loan pools having loans that meet its requirements.

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Levine in at least Column 25, lines 35-44 further teaches that brokerage firms may be employed by the investors to find buyers for the mortgage-backed securities. The brokerage firms access system 200 via workstation (Fig.2B, 280g) to find out **risk-return statistical information, payment history of the loans**, etc. in the loan pool which is being used to back the mortgage-backed security.

Levine in at least Column 25, lines 55-67 and Column 26, lines 1-4 further teaches a risk-return module which is meant to provide the subscriber with quality control and risk analysis data to aid their decision-making processes. Levine further teaches that the risk-return module includes one or more of the following calculations typically known and used by one skilled in the relevant art to make a determination of risk associated with a particular loan or loan pool: prepayment calculations on a loan or loan pool, duration calculation, convexity (gamma. distribution), vega, derivative with respect to total prepayment, housing turnover, refinancing, conditional prepayment rate (CPR), option adjusted spread (OAS), value at risk (VAR), **cash flow**, **total rate of return**, **price/yield calculations**, and scenario builders for **cash flow analysis**.

Levine in at least Column 26, lines 5-11 further teaches that the risk return module further includes an index of **trade data from live transactions or trades** that occur over the exchange system 200. The trade data may include volume of trades, weighted average coupon, average combined loan-to-value ratio, average FICO score, average term of loan, average rate and average debt ratio.

(10A.2.b) Dependent Claim 3 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the search criteria includes at least one of (i) a class of structured securities transactions.

Examiner's Response: Levine in at least Column 15, lines 21-35 teaches a secure interface 320 which allows securitization companies to access system 200 to search for loan pools posted for sale by mortgage bankers and to sell mortgage-backed securities they have created and backed with their loan pools.

(10A.2.c) Dependent Claim 4 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Mortgage backed securities.

Examiner's Response: Levine in at least Column 15, lines 21-35 teaches a secure interface 320 which allows securitization companies to access system 200 to search for loan pools posted for sale by mortgage bankers and to sell mortgage-backed securities they have created and backed with their loan pools.

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(10A.2.d) Dependent Claim 5 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Credit grade of at least one of A, B, and C/D,

Examiner's Response: This claim is dependent on Claim 45 where the search criteria are for a security backed by a loan. The credit grade is an inherent feature of a security. Levine in at least Column 15, lines 21-35 teaches a secure interface 320 which allows securitization companies to access system 200 to search for loan pools posted for sale by mortgage bankers and to sell mortgage-backed securities they have created and backed with their loan pools.

(10A.2.e) Dependent Claim 6 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the coupon type is at least one of a fixed and adjustable rate.

Examiner's Response: This claim is dependent on Claim 45 where the search criteria are for a security backed by a loan. The coupon rate is an inherent feature of a security. Levine in at least Column 15, lines 21-35 teaches a secure interface 320 which allows securitization companies to

access system 200 to search for loan pools posted for sale by mortgage bankers and to sell mortgage-backed securities they have created and backed with their loan pools.

(10A.2.f) Dependent Claim 7 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the user is not one of the issuers and the investors.

Examiner's Response: This claim is dependent on Claim 1. Levine in Column 7, lines 47-54 teaches that in an embodiment of the present invention, an organization provides a centralized exchange system for loans. Subscribers to the system (i.e., borrowers, brokers, correspondents, mortgage bankers, servicing companies, investors, capital markets brokers, etc.) may engage in trading that optimizes the types of loans being originated by lowering the risk associated with loan origination and maximizes return on each loan.

(10A.2.g) Dependent Claim 8 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Organizing the subset of financial performance data into at least one report including one of prepayment analysis.

Examiner's Response: This claim is dependent on Claim 1. Levine in Column 25, lines 55-67 and Column 26, lines 1-4 teaches a Risk/Return module which performs risk analysis to assist users of the exchange system 200 in their decision-making processes. Taught are calculations based on prepayment analysis on a loan or loan pool.

(10A.2.h) Dependent Claim 9 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the prepayment analysis reports include at least the constant prepayment rate of a loan as a function of time.

Examiner's Response: This claim is dependent on Claim 8. Levine in Column 25, lines 55-67 and Column 26, lines 1-4 teaches a Risk/Return module which performs risk analysis to assist users of the exchange system 200 in their decision-making processes. Taught are calculations based on prepayment analysis on the total rate of return on a loan or loan pool.

(10A.2.i) Dependent Claim 10 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the time at least one of days, months, and years.

Examiner's Response: This claim is dependent on Claim 9 and time is an inherent feature when calculating a total rate of return. Levine in Column 25, lines 55-67 and Column 26, lines 1-4 teaches a Risk/Return module which performs risk analysis to assist users of the exchange system 200 in their decision-making processes. Taught are calculations based on prepayment analysis on the total rate of return on a loan or loan pool.

(10A.2.j) Dependent Claim 11 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the constant prepayment rate is provided for at least one group of loans organized in terms of at least one of (ii) by coupon type.

Examiner's Response: This claim is dependent on Claim 9 and time is an inherent feature when calculating a prepayment analysis. Levine in Column 25, lines 55-67 and Column 26, lines 1-10 teaches a Risk/Return module which performs risk analysis to assist users of the exchange system 200 in their decision-making processes. Taught are calculations

based on prepayment analysis on the weighted average coupon of trade data.

(10A.2.k) Dependent Claim 12 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the credit loss analysis reports include at least the cumulative losses of at least one loan as a function of time.

Examiner's Response: This claim is dependent on Claim 8. This limitation is inherent when searching a pool of loans. Levine in at least Column 1, lines 40-67 teaches that non-conforming loans include loans made to consumers with bad credit, non-income verification loan, etc. Levine in at least Column 2, lines 13-23 teaches that non-conforming loans are generally attractive to lenders because higher interest rate may be charge and lenders use underwriting to minimize their risks. Levine further teaches in Column 2, lines 30-45 that these types of loans are based on a borrower's credit rating such as a low FICO score. Levine in at least Column 15, lines 53-67 teaches that securitization companies can search the available loan pools on system 200 using various search criteria, either based on the pre-set rules, or based on some other criteria (i.e., **loans made to borrowers having a FICO score greater than 650,**

an interest rate of 12% or greater and etc.) to locate loan pools having loans that meet its requirements.

(10A.2.I) Dependent Claim 13 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein time is at least one of days, month and years.

Examiner's Response: This claim is dependent on Claim 12. This limitation is inherent when searching for non-conforming loans. Levine in at least Column 1, lines 40-67 teaches that non-conforming loans include loans made to consumers with bad credit, non-income verification loan, etc. Levine in at least Column 2, lines 13-23 teaches that non-conforming loans are generally attractive to lenders because higher interest rate may be charge and lenders use underwriting to minimize their risks. Levine further teaches in Column 2, lines 30-45 that these types of loans are based on a borrower's credit rating such as a low FICO score and how long a consumer has bad credit. Levine in at least Column 15, lines 53-67 teaches that securitization companies can search the available loan pools on system 200 using various search criteria, either based on the pre-set rules, or based on some other criteria (i.e., **loans made to borrowers having a FICO score greater than 650, an interest rate of 12% or**

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greater and etc.) to locate loan pools having loans that meet its requirements.

(10A.2.m) Dependent Claim 14 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the cumulative losses are provided by credit grade.

Examiner's Response: This claim is dependent on Claim 13. This limitation is inherent when searching for non-conforming loans. Levine in at least Column 1, lines 40-67 teaches that non-conforming loans include loans made to consumers with bad credit, non-income verification loan, etc. Levine in at least Column 2, lines 13-23 teaches that non-conforming loans are generally attractive to lenders because higher interest rate may be charge and lenders use underwriting to minimize their risks. Levine further teaches in Column 2, lines 30-45 that these types of loans are based on a borrower's credit rating such as a low FICO score and how long a consumer has bad credit. Levine in at least Column 15, lines 53-67 teaches that securitization companies can search the available loan pools on system 200 using various search criteria, either based on the pre-set rules, or based on some other criteria (i.e., **loans made to borrowers having a FICO score greater than 650, an interest rate of 12% or**

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greater and etc.) to locate loan pools having loans that meet its requirements.

(10A.2.n) Dependent Claim 15 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the credit loss analysis reports include at least loans in foreclosure with at least one group of loans.

Examiner's Response: This claim is dependent on Claim 8. This limitation is inherent when searching for non-conforming loans which may be in foreclosure. Levine in at least Column 1, lines 40-67 teaches that non-conforming loans include loans made to consumers with bad credit, non-income verification loan, etc. Levine in at least Column 2, lines 13-23 teaches that non-conforming loans are generally attractive to lenders because higher interest rate may be charge and lenders use underwriting to minimize their risks. Levine further teaches in Column 2, lines 30-45 that these types of loans are based on a borrower's credit rating such as a low FICO score and how long a consumer has bad credit. Levine in at least Column 15, lines 53-67 teaches that securitization companies can search the available loan pools on system 200 using various search criteria, either based on the pre-set rules, or based on some other criteria (i.e., **loans made to borrowers having a FICO score greater than 650,**

an interest rate of 12% or greater and etc.) to locate loan pools having loans that meet its requirements.

(10A.2.o) Dependent Claim 16 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the loans in foreclosure are totaled in terms of a current month, a previous month, and to date.

Examiner's Response: This claim is dependent on Claim 15. This limitation is inherent when searching for non-conforming loans which may be in foreclosure. Levine in at least Column 1, lines 40-67 teaches that non-conforming loans include loans made to consumers with bad credit, non-income verification loan, etc. Levine in at least Column 2, lines 13-23 teaches that non-conforming loans are generally attractive to lenders because higher interest rate may be charge and lenders use underwriting to minimize their risks. Levine further teaches in Column 2, lines 30-45 that these types of loans are based on a borrower's credit rating such as a low FICO score and how long a consumer has bad credit. Levine in at least Column 15, lines 53-67 teaches that securitization companies can search the available loan pools on system 200 using various search criteria, either based on the pre-set rules, or based on some other criteria (i.e., **loans made to borrowers having a FICO score greater than 650,**

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an interest rate of 12% or greater and etc.) to locate loan pools having loans that meet its requirements.

(10A.2.p) Dependent Claim 17 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the loans in foreclosure are organized in terms of at least one of (III) by credit grade.

Examiner's Response: This claim is dependent on Claim 15. This limitation is inherent when searching for non-conforming loans which may be in foreclosure. Levine in at least Column 1, lines 40-67 teaches that non-conforming loans include loans made to consumers with bad credit, non-income verification loan, etc. Levine in at least Column 2, lines 13-23 teaches that non-conforming loans are generally attractive to lenders because higher interest rate may be charge and lenders use underwriting to minimize their risks. Levine further teaches in Column 2, lines 30-45 that these types of loans are based on a borrower's credit rating such as a low FICO score and how long a consumer has bad credit.

(10A.2.q) Dependent Claim 18 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the delinquency analysis reports include at least the rate of delinquency of at least one group of loans as a function of time.

Examiner's Response: This claim is dependent on Claim 8. This limitation is inherent when searching for non-conforming loans which may be in foreclosure or listed in a delinquency report prior to entering foreclosure. Levine in at least Column 1, lines 40-67 teaches that non-conforming loans include loans made to consumers with bad credit, non-income verification loan, etc. Levine in at least Column 2, lines 13-23 teaches that non-conforming loans are generally attractive to lenders because higher interest rate may be charge and lenders use underwriting to minimize their risks. Levine further teaches in Column 2, lines 30-45 that these types of loans are based on a borrower's credit rating such as a low FICO score and how long a consumer has bad credit. Levine in at least Column 15, lines 53-67 teaches that securitization companies can search the available loan pools on system 200 using various search criteria, either based on the pre-set rules, or based on some other criteria (i.e., **loans made to borrowers having a FICO score greater than 650, an interest rate of 12% or greater and etc.**) to locate loan pools having loans that meet its requirements.

Levine in at least Column 24, lines 57-67 and Column 25, lines 1-24 teaches a servicing company which monitors the borrowers' monthly

payments and archives history payment information and forwards the **payment history information** back to system 200.

(10A.2.r) Dependent Claim 19 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the time is at least one of current month, a previous month, and two month previous.

Examiner's Response: This claim is dependent on Claim 18. This limitation is inherent when searching for non-conforming loans which may be in foreclosure or listed in a delinquency report prior to entering foreclosure. Levine in at least Column 24, lines 57-67 and Column 25, lines 1-24 teaches a servicing company which monitors the borrowers' monthly payments and archives history payment information and forwards the **payment history information** back to system 200.

(10A.2.s) Dependent Claim 20 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the rate of delinquency is provided for at least one group of loans organized in term of at least one of (v) by loan to value ratio.

Examiner's Response: This claim is dependent on Claim 18. This limitation is inherent when searching for non-conforming loans which may be in foreclosure or listed in a delinquency report prior to entering foreclosure. Levine in at least Column 24, lines 57-67 and Column 25, lines 1-24 teaches a servicing company which monitors the borrowers' monthly payments and archives history payment information and forwards the **payment history information** back to system 200.

Levine in Column 25, lines 55-67 and Column 26, lines 1-4 teaches a Risk/Return module which performs risk analysis to assist users of the exchange system 200 in their decision-making processes. Taught are calculation based on the value at risk (VAR). Levine in at least Column 19, lines 58-67 teaches that loan information collected and deposited in the loan origination server (Fig.2B) include loan-to-value ratio.

(10A.2.t) Dependent Claim 21 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the number of days delinquent is at least one of 30, 60 and 90 days.

Examiner's Response: This claim is dependent on Claim 20. This limitation is inherent when searching for non-conforming loans which may be in foreclosure or listed in a delinquency report prior to entering

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foreclosure. Levine in at least Column 24, lines 57-67 and Column 25, lines 1-24 teaches a servicing company which monitors the borrowers' monthly payments and archives history payment information and forwards the payment history information back to system 200.

Levine in Column 25, lines 55-67 and Column 26, lines 1-4 teaches a Risk/Return module which performs risk analysis to assist users of the exchange system 200 in their decision-making processes. Taught are calculation based on the value at risk (VAR). Levine in at least Column 19, lines 58-67 teaches that loan information collected and deposited in the loan origination server (Fig.2B) include loan-to-value ratio.

(10A.2.u) Dependent Claim 22 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the trigger testing reports indicate whether the performance of an underlying pool of assets has at least one of fallen below or risen above a pre-determined threshold.

Examiner's Response: This claim is dependent on Claim 8 and the limitation is an inherent feature of loan search criteria. Levine in at least Column 7, lines 38-46 teaches that the present invention can also be used for analyzing, valuating, buying and selling a variety of other financial products. Levine in at least Column 8, lines 5-12 teaches that the

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centralized exchange system stores subscribers' trading rules and can notify a subscriber when loan product complying with its rules are published. Levine in at least Column 14, lines 54-67 teaches that mortgage bankers can search the available loans using various search criteria, either based on the mortgage bankers' pre-set rules, or based on some other criteria, to quickly locate those loans that meet its requirement. For example, the mortgage banker may want to purchase loans made to borrowers having a FICO score greater than 600 and an interest rate of 13% or better.

(10A.2.v) Dependent Claim 23 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the threshold is defined in an indenture document for at least one of the structured securities transactions.

Examiner's Response: This claim is dependent on Claim 22 and the limitation is an inherent feature of loan search criteria. Levine in at least Column 7, lines 38-46 teaches that the present invention can also be used for analyzing, valuating, buying and selling a variety of other financial products. Levine in at least Column 8, lines 5-12 teaches that the centralized exchange system stores subscribers' trading rules and can notify a subscriber when loan product complying with its rules are

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published. Levine in at least Column 14, lines 54-67 teaches that mortgage bankers can search the available loans using various search criteria, either based on the mortgage bankers' pre-set rules, or based on some other criteria, to quickly locate those loans that meet its requirement. For example, the mortgage banker may want to purchase loans made to borrowers having a FICO score greater than 600 and an interest rate of 13% or better.

(10A.2.w) Dependent Claim 24 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Providing indicia which includes a least one interpretation of the at least one report.

Examiner's Response: This claim is dependent on Claim 8 and is an inherent feature of requesting and receiving a borrower's credit report from a credit reporting agency for loan approval. Levine in at least Column 20, lines 35-41 teaches requesting a credit report from a credit reporting agency and when received the information is automatically entered into the proper cells of GUIs 1104 and 1204. Levine in at least Column 21, lines 15-22 teaches that the loan application data, including both data from approved and unapproved loans is uploaded to the origination archive 226.

(10A.2.x) Dependent Claim 25 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Organizing the subset of financial performance data into at least one report including one of prepayment analysis.

Examiner's Response: This claim is dependent on Claim 2. Levine in Column 25, lines 55-67 and Column 26, lines 1-4 teaches a Risk/Return module which performs risk analysis to assist users of the exchange system 200 in their decision-making processes. Taught are calculations based on prepayment analysis on a loan or loan pool.

(10A.2.y) Dependent Claim 26 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the prepayment analysis reports include at least the constant prepayment rate of a loan as a function of time.

Examiner's Response: This claim is dependent on Claim 35. Levine in Column 25, lines 55-67 and Column 26, lines 1-4 teaches a Risk/Return module which performs risk analysis to assist users of the exchange system 200 in their decision-making processes. Taught are calculations

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based on prepayment analysis on the total rate of return on a loan or loan pool.

(10A.2.z) Dependent Claim 27 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the time at least one of days, months, and years.

Examiner's Response: This claim is dependent on Claim 36 and the time is an inherent feature when calculating a total rate of return. Levine in Column 25, lines 55-67 and Column 26, lines 1-4 teaches a Risk/Return module which performs risk analysis to assist users of the exchange system 200 in their decision-making processes. Taught are calculations based on prepayment analysis on the total rate of return on a loan or loan pool.

(10A.2.aa) Dependent Claim 28 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the aggregate constant prepayment rate is provided for at least one group of loans organized in terms of at least one of (ii) by coupon type.

Examiner's Response: This claim is dependent on Claim 36 and the rate is an inherent feature when calculating a prepayment analysis. Levine in Column 25, lines 55-67 and Column 26, lines 1-10 teaches a Risk/Return module which performs risk analysis to assist users of the exchange system 200 in their decision-making processes. Taught are calculations based on prepayment analysis on the weighted average coupon of trade data.

(10A.2.bb) Dependent Claim 29 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the credit loss analysis reports include at least the aggregate cumulative losses of loans as a function of time.

Examiner's Response: This claim is dependent on Claim 25. This limitation is inherent when searching a pool of loans. Levine in at least Column 1, lines 40-67 teaches that non-conforming loans include loans made to consumers with bad credit, non-income verification loan, etc. Levine in at least Column 2, lines 13-23 teaches that non-conforming loans are generally attractive to lenders because higher interest rate may be charge and lenders use underwriting to minimize their risks. Levine further teaches in Column 2, lines 30-45 that these types of loans are based on a borrower's credit rating such as a low FICO score. Levine in

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at least Column 15, lines 53-67 teaches that securitization companies can search the available loan pools on system 200 using various search criteria, either based on the pre-set rules, or based on some other criteria (i.e., **loans made to borrowers having a FICO score greater than 650, an interest rate of 12% or greater and etc.**) to locate loan pools having loans that meet its requirements.

(10A.2.cc) Dependent Claim 30 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein time is at least one of days, month and years.

Examiner's Response: This claim is dependent on Claim 29. This limitation is inherent when searching for non-conforming loans. Levine in at least Column 1, lines 40-67 teaches that non-conforming loans include loans made to consumers with bad credit, non-income verification loan, etc. Levine in at least Column 2, lines 13-23 teaches that non-conforming loans are generally attractive to lenders because higher interest rate may be charge and lenders use underwriting to minimize their risks. Levine further teaches in Column 2, lines 30-45 that these types of loans are based on a borrower's credit rating such as a low FICO score and how long a consumer has bad credit. Levine in at least Column 15, lines 53-67 teaches that securitization companies can search the available loan pools

on system 200 using various search criteria, either based on the pre-set rules, or based on some other criteria (i.e., **loans made to borrowers having a FICO score greater than 650, an interest rate of 12% or greater and etc.**) to locate loan pools having loans that meet its requirements.

(10A.2.dd) Dependent Claim 31 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the cumulative losses are provided by credit grade.

Examiner's Response: This claim is dependent on Claim 29. This limitation is inherent when searching for non-conforming loans. Levine in at least Column 1, lines 40-67 teaches that non-conforming loans include loans made to consumers with bad credit, non-income verification loan, etc. Levine in at least Column 2, lines 13-23 teaches that non-conforming loans are generally attractive to lenders because higher interest rate may be charge and lenders use underwriting to minimize their risks. Levine further teaches in Column 2, lines 30-45 that these types of loans are based on a borrower's credit rating such as a low FICO score and how long a consumer has bad credit. Levine in at least Column 15, lines 53-67 teaches that securitization companies can search the available loan pools on system 200 using various search criteria, either based on the pre-set

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rules, or based on some other criteria (i.e., **loans made to borrowers having a FICO score greater than 650, an interest rate of 12% or greater and etc.**) to locate loan pools having loans that meet its requirements.

(10A.2.ee) Dependent Claim 32 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the credit loss analysis reports include at least loans in foreclosure with at least one group of loans.

Examiner's Response: This claim is dependent on Claim 25. This limitation is inherent when searching for non-conforming loans which may be in foreclosure. Levine in at least Column 1, lines 40-67 teaches that non-conforming loans include loans made to consumers with bad credit, non-income verification loan, etc. Levine in at least Column 2, lines 13-23 teaches that non-conforming loans are generally attractive to lenders because higher interest rate may be charge and lenders use underwriting to minimize their risks. Levine further teaches in Column 2, lines 30-45 that these types of loans are based on a borrower's credit rating such as a low FICO score and how long a consumer has bad credit. Levine in at least Column 15, lines 53-67 teaches that securitization companies can search the available loan pools on system 200 using various search

criteria, either based on the pre-set rules, or based on some other criteria (i.e., **loans made to borrowers having a FICO score greater than 650, an interest rate of 12% or greater and etc.**) to locate loan pools having loans that meet its requirements.

(10A.2.ff) Dependent Claim 33 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the loans in foreclosure are totaled in terms of a current month, a previous month, and to date.

Examiner's Response: This claim is dependent on Claim 32. This limitation is inherent when searching for non-conforming loans which may be in foreclosure. Levine in at least Column 1, lines 40-67 teaches that non-conforming loans include loans made to consumers with bad credit, non-income verification loan, etc. Levine in at least Column 2, lines 13-23 teaches that non-conforming loans are generally attractive to lenders because higher interest rate may be charge and lenders use underwriting to minimize their risks. Levine further teaches in Column 2, lines 30-45 that these types of loans are based on a borrower's credit rating such as a low FICO score and how long a consumer has bad credit. Levine in at least Column 15, lines 53-67 teaches that securitization companies can search the available loan pools on system 200 using various search

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criteria, either based on the pre-set rules, or based on some other criteria (i.e., **loans made to borrowers having a FICO score greater than 650, an interest rate of 12% or greater and etc.**) to locate loan pools having loans that meet its requirements.

(10A.2.gg) Dependent Claim 34 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the loans in foreclosure are organized in terms of at least one of (III) by credit grade.

Examiner's Response: This claim is dependent on Claim 32. This limitation is inherent when searching for non-conforming loans which may be in foreclosure. Levine in at least Column 1, lines 40-67 teaches that non-conforming loans include loans made to consumers with bad credit, non-income verification loan, etc. Levine in at least Column 2, lines 13-23 teaches that non-conforming loans are generally attractive to lenders because higher interest rate may be charge and lenders use underwriting to minimize their risks. Levine further teaches in Column 2, lines 30-45 that these types of loans are based on a borrower's credit rating such as a low FICO score and how long a consumer has bad credit.

(10A.2.hh) Dependent Claim 35 is Separately Patentable

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Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the delinquency analysis reports include at least an aggregate rate of delinquency of at least one group of loans as a function of time.

Examiner's Response: This claim is dependent on Claim 25. This limitation is inherent when searching for non-conforming loans which may be in foreclosure or listed in a delinquency report prior to entering foreclosure. Levine in at least Column 1, lines 40-67 teaches that non-conforming loans include loans made to consumers with bad credit, non-income verification loan, etc. Levine in at least Column 2, lines 13-23 teaches that non-conforming loans are generally attractive to lenders because higher interest rate may be charge and lenders use underwriting to minimize their risks. Levine further teaches in Column 2, lines 30-45 that these types of loans are based on a borrower's credit rating such as a low FICO score and how long a consumer has bad credit. Levine in at least Column 15, lines 53-67 teaches that securitization companies can search the available loan pools on system 200 using various search criteria, either based on the pre-set rules, or based on some other criteria (i.e., **loans made to borrowers having a FICO score greater than 650, an interest rate of 12% or greater and etc.**) to locate loan pools having loans that meet its requirements.

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Levine in at least Column 24, lines 57-67 and Column 25, lines 1-24 teaches a servicing company which monitors the borrowers' monthly payments and archives history payment information and forwards the payment history information back to system 200.

(10A.2.ii) Dependent Claim 36 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the time is at least one of current month, a previous month, and two month previous.

Examiner's Response: This claim is dependent on Claim 35. This limitation is inherent when searching for non-conforming loans which may be in foreclosure or listed in a delinquency report prior to entering foreclosure. Levine in at least Column 24, lines 57-67 and Column 25, lines 1-24 teaches a servicing company which monitors the borrowers' monthly payments and archives history payment information and forwards the payment history information back to system 200.

(10A.2.jj) Dependent Claim 37 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the rate of delinquency is provided for at least one group of loans organized in term of at least one of (v) by loan to value ratio.

Examiner's Response: This claim is dependent on Claim 35. This limitation is inherent when searching for non-conforming loans which may be in foreclosure or listed in a delinquency report prior to entering foreclosure. Levine in at least Column 24, lines 57-67 and Column 25, lines 1-24 teaches a servicing company which monitors the borrowers' monthly payments and archives history payment information and forwards the **payment history information** back to system 200.

Levine in Column 25, lines 55-67 and Column 26, lines 1-4 teaches a Risk/Return module which performs risk analysis to assist users of the exchange system 200 in their decision-making processes. Taught are calculation based on the value at risk (VAR). Levine in at least Column 19, lines 58-67 teaches that loan information collected and deposited in the loan origination server (Fig.2B) include loan-to-value ratio.

(10A.2.kk) Dependent Claim 38 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the number of days delinquent is at least one of 30, 60 and 90 days.

Examiner's Response: This claim is dependent on Claim 37. This limitation is inherent when searching for non-conforming loans which may be in foreclosure or listed in a delinquency report prior to entering foreclosure. Levine in at least Column 24, lines 57-67 and Column 25, lines 1-24 teaches a servicing company which monitors the borrowers' monthly payments and archives history payment information and forwards the **payment history information** back to system 200.

Levine in Column 25, lines 55-67 and Column 26, lines 1-4 teaches a Risk/Return module which performs risk analysis to assist users of the exchange system 200 in their decision-making processes. Taught are calculation based on the value at risk (VAR). Levine in at least Column 19, lines 58-67 teaches that loan information collected and deposited in the loan origination server (Fig.2B) include loan-to-value ratio.

(10A.2.II) Dependent Claim 39 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Providing at least one electronic screen to the at least one user over the computer network includes the subset of trustee reports and indenture documents.

Examiner's Response: This claim is dependent on Claim 1. Trustees and Trustee Reports are inherent features of a Trust Company. Levine in

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at least Fig.16, Column 14, lines 65-67 and Column 15, lines 1-6 teaches the transfer of loan files from the seller to a trust company upon the purchase of a loan by the mortgage banker. Levine in at least Column 15, lines 7-17 teaches a secure interface 316 which allows trust companies to access system 200 via workstation 280c perform their due diligence analysis and if appropriate will issue a certificate to the mortgage banker.

(10A.2.mm) Dependent Claim 40 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Providing at least one electronic screen to the at least one user over the computer network includes the subset of indenture documents.

Examiner's Response: This claim is dependent on Claim 1. Trustees and Trustee Reports are inherent features of a Trust Company. Levine in at least Fig.16, Column 14, lines 65-67 and Column 15, lines 1-6 teaches the transfer of loan files from the seller to a trust company upon the purchase of a loan by the mortgage banker. Levine in at least Column 15, lines 7-17 teaches a secure interface 316 which allows trust companies to access system 200 via workstation 280c perform their due diligence analysis and if appropriate will issue a certificate to the mortgage banker.

(10A.2.nn) Dependent Claim 41 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the indenture documents include at least one of prospectuses and pooling and servicing agreements.

Examiner's Response: This claim is dependent on Claim 40. Trustees, Trustee Reports and Indenture Documents are inherent features of a Trust Company and the engaging of a Trust Company to perform a particular task or set of tasks. Levine in at least Fig.16, Column 14, lines 65-67 and Column 15, lines 1-6 teaches the transfer of loan files from the seller to a trust company upon the purchase of a loan by the mortgage banker. Levine in at least Column 15, lines 7-17 teaches a secure interface 316 which allows trust companies to access system 200 via workstation 280c perform their due diligence analysis which will ensure that the supporting documentation provided by the borrower matches the information the lender relied on in approving the loan and if appropriate will issue a certificate to the mortgage banker which includes verification of the authenticity of the loan(s).

(10A.2.oo) Dependent Claim 42 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitations:

Receiving search criteria over the computer network from at least one of the users for identifying at least a portion of at least one indenture document;

Retrieving the portion the indenture document identified by the search criteria; and

Providing at least one electronic screen to at the at least one user over the computer network which includes the portion of the indenture documents.

Examiner's Response: This claim is dependent on Claim 41. Trustees, Trustee Reports and Indenture Documents are inherent features of a Trust Company and the engaging of a Trust Company to perform a particular task or set of tasks. Levine in at least Fig.16, Column 14, lines 65-67 and Column 15, lines 1-6 teaches the transfer of loan files from the seller to a trust company upon the purchase of a loan by the mortgage banker. Levine in at least Column 15, lines 7-17 teaches a secure interface 316 which allows trust companies to access system 200 via workstation 280c perform their due diligence analysis which will ensure that the supporting documentation provided by the borrower matches the information the lender relied on in approving the loan and if appropriate will issue a certificate to the mortgage banker which includes verification of the authenticity of the loan(s).

Levine in at least Column 24, lines 33-37 teaches that system 200 may verify that the trust company is independently performing its due diligence analysis.

(10A.2.pp) Dependent Claim 43 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitations:

Storing respective contact information concerning the plurality of structured securities transactions;

Receiving search criteria over the computer network from at least one of the users for identifying at least some of the contact information;

Retrieving the contact information identified by the search criteria;
and

Providing at least one electronic screen to the at least one user over the computer network includes the identified contact information.

Examiner's Response: This claim is dependent on Claim 1. Levine in at least Fig.3 and Column 25, lines 25-34 teaches that investor can access system 200 via workstation 280e to look for loan pools for sale by mortgage bankers to purchase. Using the trading subsystem 210, investors can make bids on loan pool for sale on the system 200. The inventors then use collections of these purchased loan pool to create

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mortgage-backed securities. The investors can publish these mortgage-backed securities on system 200 via workstation 280e for sale to interested buyers.

Levine in at least Column 16, lines 1-13 teaches that an investor who has acquired several loan pools, it can access system 200 via workstation 280e to group together the loan pools to back a security (i.e., create a mortgage-backed security).

Levine in at least Fig.3 and Column 16, lines 1-13 further teaches an interface 324 which allows the brokerage companies to be able to access system 200 via a workstation 280d to look for mortgage-backed securities for sale and to negotiate to buy and sell the mortgage-backed securities.

(10A.2.qq) Dependent Claim 44 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the contact information includes at least one of the issuer, underwriter, co-underwriter, bond issuer, rating agency, trustee, master servicer, and servicer.

Examiner's Response: This claim is dependent on Claim 43 the limitation is inherent when a brokerage company is searching for mortgage-backed securities and to negotiate to buy and/or sell the mortgage-backed securities. Levine in at least Fig.3 and Column 25, lines

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25-34 teaches that investor can access system 200 via workstation 280e to look for loan pools for sale by mortgage bankers to purchase. Using the trading subsystem 210, investors can make bids on loan pool for sale on the system 200. The inventors then use collections of these purchased loan pool to create mortgage-backed securities. The investors can publish these mortgage-backed securities on system 200 via workstation 280e for sale to interested buyers.

Levine in at least Column 16, lines 1-13 teaches that an investor who has acquired several loan pools, it can access system 200 via workstation 280e to group together the loan pools to back a security (i.e., create a mortgage-backed security).

Levine in at least Fig.3 and Column 16, lines 1-13 further teaches an interface 324 which allows the brokerage companies to be able to access system 200 via a workstation 280d to look for mortgage-backed securities for sale and to negotiate to buy and sell the mortgage-backed securities.

(10A.2.rr) Dependent Claim 45 is Separately Patentable

Appellants further argue that the Levine fails to disclose the following limitation:

Wherein the search criteria includes at least one of: (i) an issuer name; (ii) an investor name; (iii) a type of security; (iv) a coupon type, when the security includes at least one loan; (v) a credit grade, when the security includes at least one loan; (vi) a loan to value ratio,

when the security includes at least one loan, and (vii) property type, when the security includes real property.

Examiner's Response: This claim is dependent on Claim 1 the limitations are inherent when a brokerage company is searching for mortgage-backed securities and in the process of negotiating to buy and/or sell the mortgage-backed securities. Levine in at least Fig. 3 and Column 25, lines 25-34 teaches that investor can access system 200 via workstation 280e to look for loan pools for sale by mortgage bankers to purchase. Using the trading subsystem 210, investors can make bids on loan pool for sale on the system 200. The inventors then use collections of these purchased loan pool to create mortgage-backed securities. The investors can publish these mortgage-backed securities on system 200 via workstation 280e for sale to interested buyers.

Levine in at least Column 16, lines 1-13 teaches that an investor who has acquired several loan pools, it can access system 200 via workstation 280e to group together the loan pools to back a security (i.e., create a mortgage-backed security).

Levine in at least Fig.3 and Column 16, lines 1-13 further teaches an interface 324 which allows the brokerage companies to be able to access system 200 via a workstation 280d to look for mortgage-backed securities for sale and to negotiate to buy and sell the mortgage-backed securities.

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(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/Paul Danneman/

Examiner, Art Unit 3627

25 September 2009

Conferees:

/F. Ryan Zeender/

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